

TRANSIT VILLAGE RETAIL DEVELOPMENT

TARGET AREA

• The Target Area is located near the intersection of Canal Street and North Carrollton Avenue.

RETAIL CONCEPT

• The concept is to develop a Transit-Oriented Village with goods and services available to the community in a walkable environment.

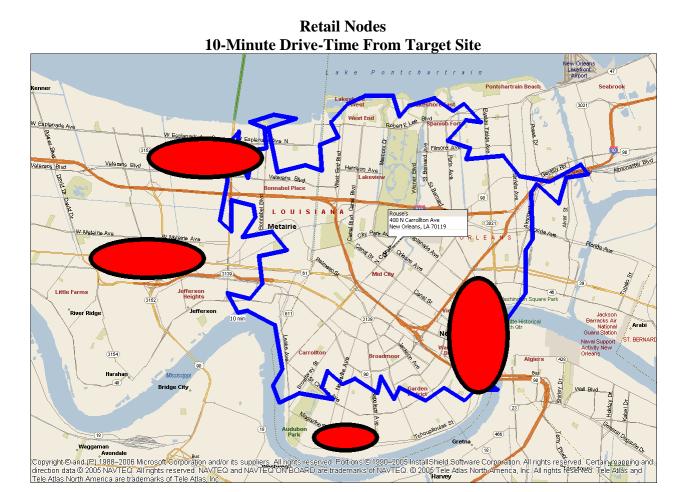
EXISTING CONDITIONS

- The Target Area is within walking distance of the Canal Street Streetcar service to Downtown. The Target Area is also accessible to the Carrollton transit line. The presence of these permanent transit installations enhances the Target Area's redevelopment potential.
- The Target Area is within walking distance to the southern portions of City Park and the Fairground. The southern portions of City Park are the most utilized from an activity standpoint. Today, there are few retail and eating and drinking establishments available to service Park patrons.
- A Rouses Supermarket and a Home Depot are located in the Target Area on North Carrollton Avenue. These uses already draw the community to the Target Area to shop. There is a unique opportunity to leverage these stores to help support a new, walkable retail district.

COMPETITIVE LANDSCAPE

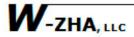
- There are community shopping centers and regional retail nodes within about a 10-minute drive to the Target Area.
- Other than Downtown, none of the shopping centers can be accessed via public transit.
- With the exception of Magazine Street and Downtown, the existing retail centers are all autooriented. There is no community serving, pedestrian friendly shopping district with which the Target Area would compete.





RETAIL TRADE AREA

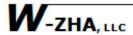
- To determine the Trade Area for a Transit Oriented Village concept, we used the community shopping center as a proxy for analysis.
- Supermarket-anchored community shopping centers range in size from 100,000 to 300,000 square feet. The supermarket typically accounts for 60,000 to 80,000 square feet, leaving the remaining space for general merchandise stores, apparel stores, specialty stores (card shops, craft stores, toy/hobby stores, book stores, etc.) eating and drinking establishments and service establishments. These shopping centers service local residents, thus, their trade areas tend to be relatively small geographically.
- A Trade Area was developed by understanding the location of supermarkets that compete with Rouses. By understanding the location of the competition, Rouses Primary Trade Area was estimated. (A Primary Trade Area generates between 70 and 80 percent of a store's sales.) Rouses Trade Area was considered the same as the Village's Trade Area.

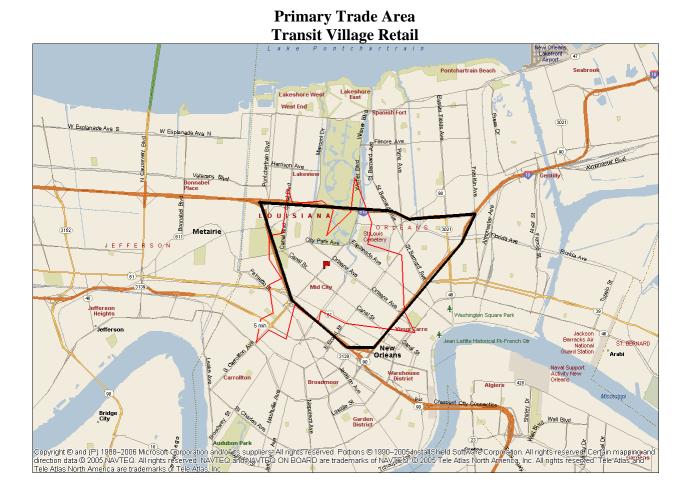


Primary Trade Areas Competitive Supermarkets



• Given the location of competitive supermarkets Rouses Primary Trade Area is depicted below.



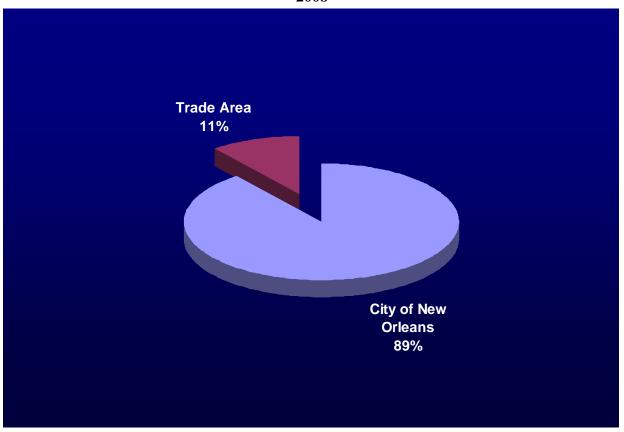


DEMOGRAPHICS WITHIN THE RETAIL TRADE AREA

- Claritas, Inc., a national consumer research organization, is the source of the Trade Area demographic information.
- City population data comes from GCR Consulting. GCR provided 2009 population estimates and 2013 population projections. These estimates have been applied to 2008 data on household composition, income, age and race data provided by Claritas, Inc.

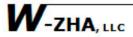


Population
City of New Orleans and Transit Village Trade Area
2008

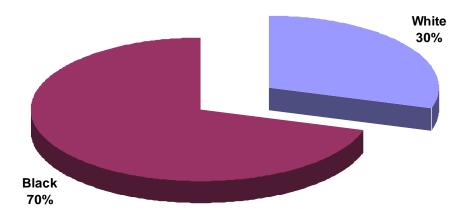


Source: GCR Consulting

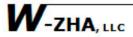
- Claritas, Inc. estimated that there were approximately 34,600 people residing in the Trade Area in 2008. This has been adjusted to 36,600 people given District-based population estimates by GCR. The Trade Area population comprised 11 percent of New Orleans' total population.
- Claritas projects that the population of the Trade Area will increase by almost 50 percent between 2008 and 2013.
- Using Claritas' estimates of average household size, in 2008 there were approximately 14,770 households in the Trade Area.



Race City of New Orleans and Transit Village Trade Area 2008



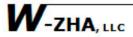
• According to Claritas, in 2008 the Trade Area's population was 70 percent Black/African American. This compares to 61 percent Black/African American in the City.



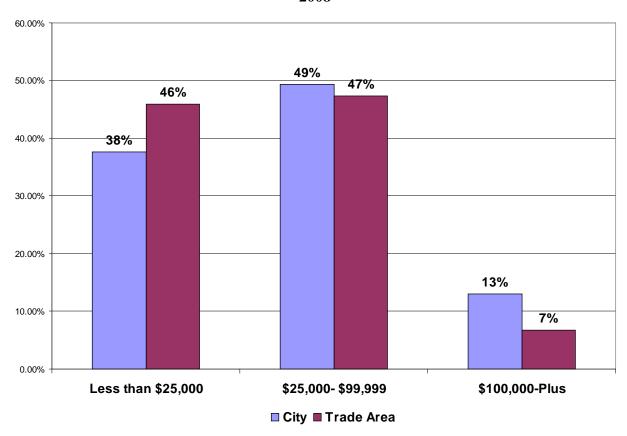
Median Income United States, New Orleans, Transit Village Trade Area 2008



• Claritas estimates that the median income in the Trade Area was \$27,900 in 2008, below the New Orleans median of \$35,800. Median income in both the Trade Area and the City is below the national average.



Income Distribution New Orleans, Transit Village Trade Area 2008



Source: Claritas, Inc.

• The Trade Area has a much higher share of its households in the low income brackets (earning less than \$25,000 per year) and much lower share of its households in high income brackets (\$100,000-plus) as compared to the City as a whole.



Average Income United States, New Orleans, Transit Village Trade Area 2008



• Households within the Trade Area have an average income of \$40,600. New Orleans' average household income is \$64,800. Average household income in the United States was \$67,900 in 2008.



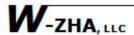
Per Capita Income United States, New Orleans, Transit Village Trade Area 2008



• The Trade Area's 2008 per capita income of \$16,700 was below the New Orleans' per capita income of \$21,700.

RETAIL EXPENDITURE POTENTIAL

• Trade Area residents have approximately \$928 million of retail spending potential. By 2013 retail spending potential will increase to \$1.8 billion.



Retail Spending Potential Transit Village Trade Area 2009 and 2013

 Z009
 Z013

 Automobile Sales and Gas
 \$265,342,000
 \$432,635,000

 Non-Store Retail
 \$57,686,000
 \$94,055,000

 Shopping Center-Inclined Retail
 \$604,423,000
 \$985,502,871

 Total
 \$927,451,000
 \$1,512,192,871

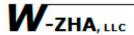
Source: Claritas, Inc.; W-ZHA F:\80011 New Orleans\[transit village retail.xls]Sheet2

• Approximately, two-thirds of the Trade Area's retail spending will occur in stores typically found in a town center or shopping center environments. These stores, called "shopping center-inclined stores", include the following store types: general merchandise; furniture and furnishings; electronics and appliance; building materials and garden equipment; food and beverage, health and personal care; apparel and accessories; hobby, sporting goods, and musical instruments; miscellaneous shopper's goods stores; and eating and drinking places.

Shopping Center-Inclined Retail Expenditure Potential 2013						
Convenience			\$335,033,000			
	Food and Beverage	\$222,784,000				
	Drug	\$112,249,000				
General Merchandise						
Other Shopper's Goods			\$389,446,000			
	General Merchandise	\$195,214,000				
	Other	\$194,232,000				
Building Materials			\$125,383,000			
Eating and Drinking			\$135,641,000			
Total Shopping Center	\$985,503,000					

Source: Claritas, Inc.; W-ZHA
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- Applying an average retail sales per square foot of space assumption of \$400 per year, the Trade Area can support 2.5 million square feet of retail! Given the lack of retail in the Trade Area, it is clear that most of the Trade Area's retail spending is happening outside in surrounding jurisdictions.
- There is plenty of market to support additional retail within the Target Area. The Rouses and Home Depot can be leveraged as anchors to a pedestrian-oriented retail Village.



- The Rouses and the Home Depot remove a considerable amount of market risk. The presence of these anchors may allow retail to be developed incrementally as new commercial and/or residential is developed in the Target Area.
- Given the income characteristics of Trade Area households, the Transit Village will operate as a community shopping location, not a regional retail center or a restaurant-intensive entertainment center. Card shops, toy/hobby stores, a pet supply store, discount merchandise, service establishments (bank, beauty salon/barber shop), take-out food and moderately priced restaurants would be appropriate for this location and market.
- The capture rates below assume incremental retail development, not a single strip center project. The chart includes the existing Rouses and Home Depot.

Concept Plan Market Capture 2013								
	Trade Area		250,000 - 300,000 sf Community Center					
	Expenditur	e Potential	Store Type	Sales /1	Capture			
Convenience	-	\$335,033,000		•				
Food and Beverage	\$222,784,000		Rouses/Specialty	\$21,600,000	10%			
Drug	\$112,249,000		Drug Store	\$5,400,000	5%			
General Merchandise, Apparel,								
Furniture, Other Shopper's Goods		\$389,446,000						
General Merchandise	\$195,214,000		Discount Store	\$5,856,420	3%			
Other	\$194,232,000		Cards, Hobby, Pet	\$29,134,800	15%			
Building Materials		\$125,383,000	Home Depot	\$19,200,000	15%			
			Moderately Priced					
			Take-Out, Fast					
Eating and Drinking		\$135,641,000	Food, Restaurants	\$6,782,050	5%			
Total Shopping Center-Inclined Retail	_	\$985,503,000	_	\$87,973,270	9%			

1. Assumed that Trade Area residents account for 90% of food and beverage and drug store sales and 80% of sales in other store types.

Source: W-ZHA

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- The market can easily support an additional 100,000 to 150,000 square feet at this location.
- North Carrollton Avenue is the "front door" for retail in the Target Area. Therefore, early retail development must establish a presence on North Carrollton Avenue.